

VT Public Utility  
Commission  
Docket 8880

Memorandum of Understanding

Vermont Department of Public Service

# Public Comments: Sources

- Public Comments filed in ePUC
- April 6, 2017 Public Hearing
- NDCAP Meetings

# Public Comments: Overview

1. NorthStar Timing & Method
2. Financial Assurance
3. Site Restoration Standards
4. Ongoing Monitoring
5. Public Participation

# Decommissioning Timeline

- Begin: 2019, no later than 2021
- End: 2026, no later than 2030
- Firming up this commitment:
  - Memorialized in the MOU
  - Letter of Credit

# Timeline Commitment

“NorthStar Decommissioning Holdings, LLC has committed to begin active decommissioning and site restoration at the VY Station site no later than 2021 (and possibly as early as 2019) and to complete those tasks at the VY Station site (except at the Independent Spent Fuel Storage Installation (“ISFSI”) and VELCO switchyard) no later than the end of 2030 (and possibly as early as 2026).”

[MOU pg. 1-2]

# NorthStar's Method

“a commitment by NorthStar VY not to withdraw funds from the NDT for any task in an amount exceeding that specified for that task in version 1.0 of the pay-item disbursement schedule dated September 8, 2016”

[MOU ¶ 2(a)(6)]

# Contingent Letter of Credit

NorthStar's financial assurance package includes: "a \$25 million contingent letter of credit tied to start and/or completion date milestones, payable to the VY Station Decommissioning Completion Trust . . . ."

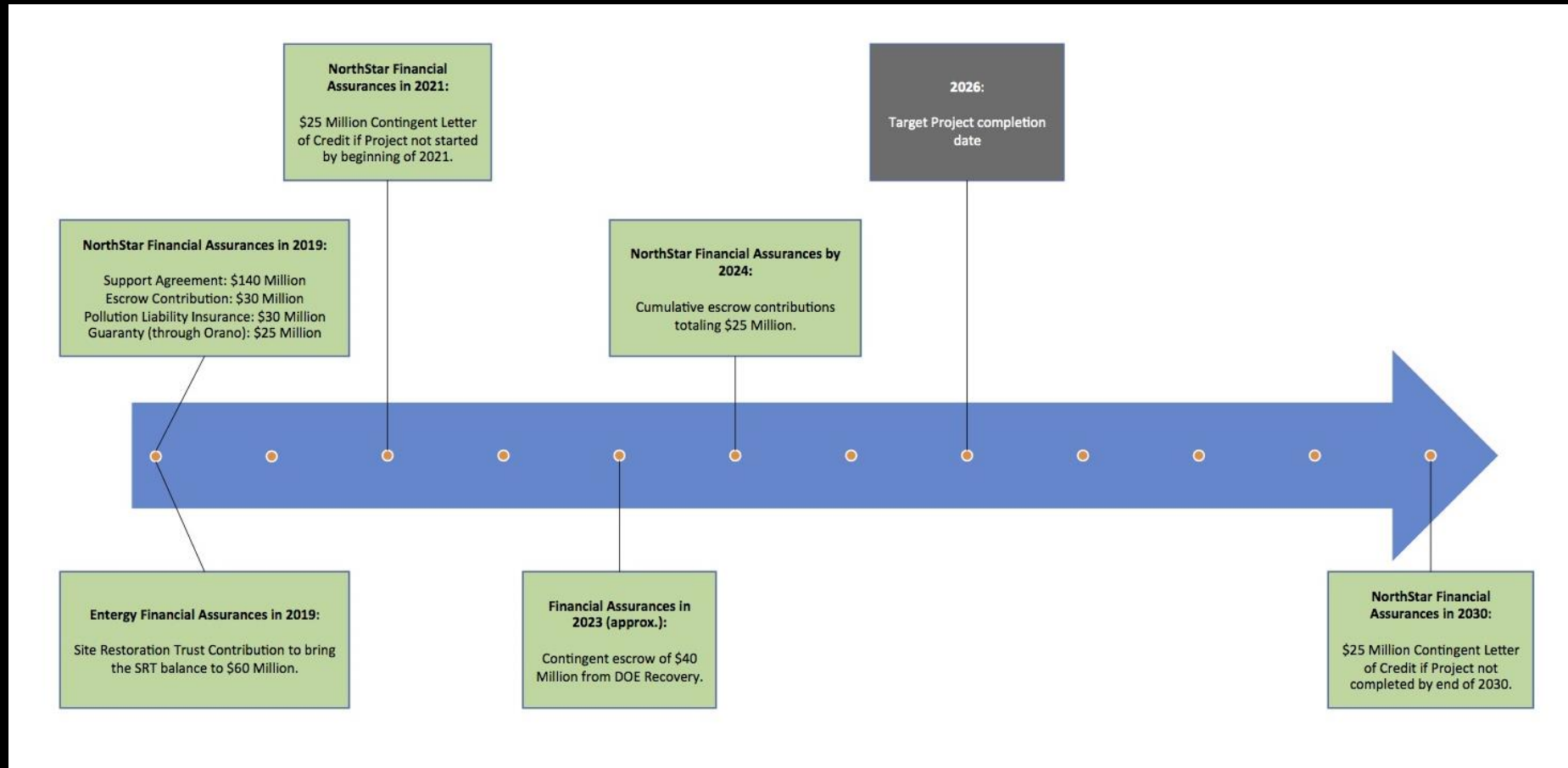
[MOU ¶ 2(a)(4)]

# Financial Assurances

- Financial Assurance Package
- Site Restoration Trust Fund
- Structure of funding sources



# Financial Assurance Package



# Financial Assurance Package

Financial Assurance	Party Providing	Date Provided By	Amount
Support Agreement	NorthStar	Jan. 1, 2019	\$140 Million
Site Restoration Trust Fund Contribution	Entergy	Dec. 31, 2018	To bring balance to \$60 Million
NorthStar Initial Escrow Contribution	NorthStar	Dec. 31, 2018	\$30 Million
Pollution Legal Liability Insurance	NorthStar	Jan. 1, 2019	\$30 Million
Guaranty	Orano	Jan. 1, 2019	\$25 Million
Contingent Escrow Contribution from Round 3 DOE Recovery	Entergy/NorthStar	c. 2023	\$40 Million
NorthStar Continuing Escrow Contributions	NorthStar	c. 2024	\$25 Million
Contingent Letter of Credit	NorthStar	Jan. 1, 2021/Dec. 31, 2030	\$25 Million

# Site Restoration Trust Fund

## 7862 Entergy Obligation:

A \$20-million parent guaranty that “will be terminated only in the event that the money in the Site Restoration Fund grows to \$60 million.”

## 8880 MOU:

“Entergy shall contribute to the [Site Restoration Trust] an amount that will bring the balance of the [Site Restoration Trust] at the closing of the Proposed Transaction to \$60 million.”

# Financial Assurances: Structure

Site Restoration Trust (SRT) as Nuclear  
Decommissioning Trust Sub-Account

- Preserve all SRT protections

Support Agreement

- Funding site restoration

# Site Restoration Standards

- Screening concrete fill
- Removal of structures
- I-Rule process
  - Comprehensive investigation of the site
  - Remediation to health-protective standards
  - Quarterly groundwater monitoring
- Establishing appropriate institutional controls for future reuse
- Filling all voids, re-grading, and reseeding

# Ongoing Monitoring

## MOU ¶ 2(f): Budget Oversight

NorthStar shall provide to DPS, ANR, and AGO monthly summaries of all expenditures at the site. Those agencies shall be permitted access to and shall have the right to inspect those expenditures and the books of NorthStar Group Holdings, LLC, NorthStar Group Services, Inc., and NorthStar VY at all reasonable times and at reasonable intervals.

# Ongoing Monitoring

## MOU ¶ 2(g): Support Agreement Oversight

NorthStar shall notify DPS, ANR, and AGO within 7 calendar days of any of the following events.

1. All significant changes to NorthStar Group Services, Inc.'s ability to support or fund the Support Agreement, including any significant reduction in overall debt capacity;
2. Every draw on the Support Agreement;
3. Any event that has occurred in the conduct of decommissioning, spent fuel management, or site restoration activities at the VY Station site that could, individually or cumulatively with other events, have an adverse financial consequence of greater than \$2 million, including but not limited to accidents, delays, contractual disputes, unknown site conditions, and changes in regulatory requirements, including a detailed description of the event and an assessment of the amount of any such consequence along with any mitigation plan(s);
4. Any proposed organizational change or change in equity ownership of NorthStar Group Holdings, LLC; NorthStar Group Services, Inc.; and/or NorthStar VY; and
5. Any breach of debt covenants, default, acceleration, insolvency, reorganization, bankruptcy or liquidation of NorthStar Group Holdings, LLC; NorthStar Group Services, Inc.; and/or NorthStar VY.

# Ongoing Monitoring

## MOU ¶ 2(h): Site Restoration Oversight

On or before March 31 of each calendar year following the close of the Proposed Transaction, NorthStar shall provide to DPS, ANR, VDH, and AGO an annual **public** certification that includes the following:

1. A detailed description of all work completed as of that date pursuant to corrective action plans approved by ANR pursuant to Subchapter 5 of the I-Rule;
2. A detailed description and schedule of remaining corrective actions and site restoration work;
3. The amount of funds available for site restoration as of the end of the calendar year preceding the date of the report; and
4. The amount of funds estimated to be required to complete site restoration.

This annual requirement shall continue until (i) NorthStar completes partial site release of the VY Station site (with the exception of the ISFSI and VELCO switchyard) as approved by the NRC pursuant to 10 C.F.R. § 50.83 or an approved license termination plan; and (ii) NorthStar has submitted all corrective action construction completion reports for the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)) to ANR and ANR determines that no additional site investigation or corrective actions are required, except long-term monitoring, pursuant to the process set forth in the I-Rule.



# Ongoing Monitoring

## MOU ¶ 2(i): Funding Oversight

On or before March 31 of each calendar year following the close of the Proposed Transaction, NorthStar shall provide to DPS the following disclosures and reports covering the prior calendar year (or specified 12-month period):

1. Audited financials for NorthStar Group Holdings, LLC and NorthStar Group Services, Inc. as of the end of the calendar year preceding the report date;
2. Audited statements of NDT and SRT fund balances (with current investment mix), and an accounting of all disbursements from such accounts;
3. A schedule of both cumulative historic (from the closing date of the Proposed Transaction) and projected fund activity for NDT and SRT funds, including a breakdown of all future decommissioning, site restoration, and spent fuel management activities, including an updated “pay item disbursement schedule” and provide the equivalent of an update of the current “Deal Model” through completion of partial site release and site restoration of the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)); and
4. A variance analysis, comparing actual disbursements detailed in the updated “Deal Model” to estimated disbursements in the prior year’s reporting, explaining all variances in excess of 10% or \$2 million.

This annual requirement shall continue until (i) NorthStar completes partial site release of the VY Station site (with the exception of the ISFSI and VELCO switchyard) as approved by the NRC pursuant to 10 C.F.R. § 50.83 or an approved license termination plan; and (ii) NorthStar has submitted all corrective action construction completion reports for the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)) to ANR and ANR determines that no additional site investigation or corrective actions are required, except long-term monitoring, pursuant to the process set forth in the I-Rule.

# Public Participation

- MOU ¶ 2(h) – public certification
- MOU ¶ 2(j) – To the extent NorthStar determines that the information it must submit to DPS, ANR, VDH, or AGO pursuant to this MOU constitutes NorthStar trade secret or confidential business information or other information that is exempt from the public inspection and copying requirements of the Vermont Public Records Act (1 V.S.A. §§ 315-320), NorthStar shall designate the information as such and shall provide a redacted **version suitable for public disclosure**, unless redaction would render the document meaningless.
- MOU ¶ 5(k) – NorthStar shall work cooperatively with ANR and VDH to develop appropriate protocols related to non-radiological remediation and site restoration for information sharing, obtaining samples from onsite environmental media, conducting site visits and inspections, site characterization, remediation, site restoration, and notifications. These protocols must be acceptable to ANR and VDH, **be made publicly available**, and shall recognize that ANR and VDH must approve all work plans and testing protocols prior to implementation and retain authority over all determinations of compliance related to non-radiological site characterization and remediation, non-radiological site closure, and site restoration
- MOU ¶ 8 – NorthStar agrees to collaborate with the stakeholders to establish **an appropriate public engagement process** regarding the decommissioning and restoration of the VY Station site, including exploration of forming a subcommittee of the existing Nuclear Decommissioning Citizens Advisory Panel for this purpose

# State Websites

Vermont Department of Public Service – MOU Announcement

<http://publicservice.vermont.gov/announcements/departments/files-mou-entergynorthstar-case>

ANR's VY Decommissioning Website

<http://anr.vermont.gov/Vermont%20Yankee%20Decommissioning>

ePUC – Public Comment